

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:429
ANSWERED ON:25.07.2000
SICK SUBSIDIARIES OF COAL INDIA
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Will the Minister of COAL be pleased to state:

- (a) the subsidiaries of Coal India reported sick;
- (b) the financial losses of these units during the last five years;
- (c) the steps taken by the Government to improve their functioning and reduce their losses;
- (d) whether the Government propose to disinvest these subsidiaries; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE FOR COAL (SHRI N.T.SHANMUGAM)

(a): The Eastern Coalfields Limited (ECL) is the only subsidiary of CoalIndia Limited (CIL) which has been referred to the Board for Industrial and Financial Reconstruction as a sick industrial company under Section 15 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985.

(b): The loss incurred by ECL in the last five Financial Years for which accounts have been audited are given below:-

(Rs. in crores)	
Year	Loss of ECL
1994-95	575.54
1995-96	391.22
1996-97	341.15
1997-98	541.89
1998-99	472.47

(c) to (e): On 24.10.98, the Board of Directors of ECL passed a resolution for closure of 64 highly loss making mines of the ECL. Several alternate measures for revival of ECL were offered to the Trade Unions who have not accepted any of them. The ICICI Limited were engaged to suggest a package of revival measures for ECL. The ICICI Ltd. in their report have also recommended closure of the 64 loss making mines. The ICICI report is under consideration of the Ministry of Coal for preparing a revival package for the company. There is no proposal to disinvest the CIL shares of ECL. All the shares of ECL are held by CIL, the holding company.